

**APPROVED 10/24/2005**

The meeting came to order at 7:10 pm at the Fremont Town Hall. Present were Budget Committee members Charles Kimball, Kevin Zukas, Donald Gates Jr, Peg Pinkham, and Marc Wood; SAU Business Administrator Martha Williamson; and Town Administrator Heidi Carlson.

Members of the public present included Alison Kras, Marian & Webster Guidoboni, Christine Kenneway, Claire Houston, Ray & Shawn Perreault, Marilyn Gates, and George & Kathy Sonia.

There was discussion about membership attendance, and having people check in a few days prior to the meeting to identify whether or not they would be in attendance.

Kimball stated that there was currently a case in court about spending money that was not properly allocated (line item transfers). He said that the line items detailed out and explained to the Budget Committee are set when they are presented (ie: a new expenditure cannot be created outside of functions presented with the initial budget). There was discussion about line item transfers.

Pinkham indicated she spoke to Charles Kimball about two weeks ago regarding the Budget Committee's vote (at the August 8<sup>th</sup> meeting) to have Representative Dodge further investigate the validity of the vote of the Sanborn Tuition contract. Pinkham said that the School Board has been contacted several times by residents wondering about the Budget Committee action, following the legislative representatives having printed a letter to the editor in local papers.

Pinkham said that the School Board feels the contract and vote are valid and legal; but Pinkham said she would not speak for the Budget Committee, and therefore suggested that the members of the public come directly to the source to ask the questions about their inquiry.

Kimball said that this issue was brought up at the training session he went to recently (the annual budget workshop sponsored by the NH Local Government Center). He said that an Assistant Attorney General and one of the NH LGC attorneys, addressed the questions there, indicating that as long as at a special school district meeting there are no dollars appropriated, there do not have to be 50% of the voters in attendance. Kimball said that if there were even \$1 in any article on the warrant at a special school district meeting, 50% of the registered voters need to be present to vote.

Pinkham said that this was the School Board's position all along, but that they have been asked by members of the public "where this was going" in terms of the Budget Committee making an inquiry.

Kimball indicated he did receive a letter back from Representative Bob Dodge, dated August 30, 2005, which was passed around to those who wanted to read it, and will be placed in the Budget Committee minutes binder.

Pinkham said that the School Board met with the legislative representatives last week. Senator Barnes and Representatives Itse and Nowe were able to attend, Representative Dodge was not. Pinkham had a draft copy of those School Board meeting minutes (September 27, 2005), which included a statement from Senator Jack Barnes regarding the tuition contract issues. His statement was done as part of the minutes as he had not brought a prepared written statement. In an excerpt in the School Board meeting minutes (draft copy attached with original Budget Committee minutes), *Senator Jack Barnes responded that he met with the Commissioner and referenced the Commissioner's letter dated September 16, 2005. Commissioner (of Education) Lyonel Tracey stated that there are "no facts or basis for an investigation in this matter" and that he has "no statutory basis for investigating tuition contracts decided by local districts."*

Pinkham read further from the minutes *“Legislators apologized for signing the letter before conferring with the School Board and it was agreed to put the issue to rest.”*

Kimball then referred to sections of the statutes RSA 31:5 and 197:3 regarding the money appropriation items, of which there were none at the January 2004 School District meeting. He highlighted these from the *2005 Edition of The Basic Law of Town, Village, and School District Budgeting*, found on page 26.

Kimball said that he feels the Budget Committee is finished with the matter at this time. Wood indicated that there are members of the Budget Committee missing this evening who are passionate about this issue as well.

Gates gave some further historical information about this issue, including some residents approaching representatives regarding the matter, asking for further research, which Representative Dodge followed up on.

Kimball called for a vote to put this issue to rest for good as a matter before the Budget Committee. Gates seconded that as a motion, and the vote was unanimously approved 5-0.

Pinkham further moved that the Fremont Budget Committee recognizes the Fremont District and Sanborn District Tuition Agreement, and holds it valid for future appropriation(s) of funds as related to the Tuition Agreement. Wood seconded the motion and the vote was unanimously approved 5-0.

The majority of the public present left the meeting at 7:25 pm following the discussion about the school tuition contract agreement. School Board members Marian Guidoboni and Kenneway remained at the meeting.

Pinkham then stated that Martha Williamson was here to discuss the 2004-05 year-end school budget report. Pinkham had asked at the last meeting to have any questions emailed to her, to see that appropriate information was available, but did not receive any.

There was discussion about the fashion in which items are brought to voters for consideration. Kimball said that the School Board had handled the telephone system appropriation correctly.

Budget Committee members indicated they had reviewed the end of year school district financial report. The School Board had turned money back to the District at year end. Kimball said that he would rather the School try to keep their budget a little lower and have less to turn back (this is a more immediate positive tax rate effect than turning back funds at the end of the year).

Pinkham said that the School Board has voted to level fund in all areas that are possible, outside of contractual obligations, for the upcoming budget cycle.

There were no significant questions on the school district financial report.

Kenneway, Marian Guidoboni, and Williamson left the meeting at 7:45 pm.

Carlson distributed copies of the 2005 MS-1 paperwork submitted for the tax rate; the 09/30/05 full accounting expenditure report; and the 09/30/05 short form expense and revenue reports. All were reviewed.

Kimball asked for departments to indicate the amount of the cost of living increase. Gates explained that the Town was looking at a 3% cost of living increase, with also a step increase for full-time employees. Kimball said it was very helpful to him to know that amount of increase attributable to wages, to help put any overall increase of budgets into perspective.

Kimball questioned how much money the town had borrowed to date in anticipation of taxes. Carlson guessed that the amount was \$1,000,000 to \$1,200,000 thus far this year, but will verify it. The town is getting ready to borrow again in anticipation of taxes, which will not be received until late November, for the most part.

Pinkham asked to go back to the tuition agreement issue, questioning whether the Budget Committee was represented as a group, prior to a vote being taken by the Committee. As an individual on a board, one has to be very careful when speaking (or writing) in public to use care in indicating that they are speaking as an individual and not as a representative of their respective Board or Committee. Gates cautioned that all individuals who are part of any board, committee, etc needs to be very aware of this perception. .

Members of the Committee agreed with this practice, and indicated that it was something that all town officials needed to be careful of.

Kimball indicated he would be gone the end of October/beginning of November, as the calendar was consulted for the upcoming meetings.

The following schedule was set:

Monday October 24, 2005  
Monday November 7, 2005  
Monday November 14, 2005  
Monday November 21, 2005  
Monday November 28, 2005  
Tuesday December 6, 2005  
Monday December 12, 2005  
Tuesday December 20, 2005

All meetings will be held at 7:00 pm at the Fremont Town Hall.

With no further business to come before the Board, motion was made by Wood and seconded by Gates to adjourn this meeting at 8:20 pm. The vote was unanimously approved 5-0.

Respectfully submitted,

Heidi Carlson  
Town Administrator